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EXECUTIVE SECRETARY

January 24, 2001

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RE: Docket 00-01067, Tariff to Reduce Switched
Access Rates and Increase Toll Rates

Dear Mr. Waddell:

Attached is United Telephone-Southeast, Inc.'s response to the Tennessee
Regulatory Authority Staff's Data Request dated January 11, 2001 in the above-
referenced docket.

Please contact me at 919-554-7323 or Kaye Odum at 919-554-5277 if you have
questions regarding this information.

Sincerely,

Laura A. Sykora

Attachments

C: Kaye Odum
Tom Sokol
Dennis Wagner
Jim Wright

UNITED TELEPHONE-SOUTHEAST, INC.
RESPONSE TO TRA STAFF DATA REQUEST
DATED JANUARY 11, 2001

Question 1: Please provide documentation that demonstrates the proposed Intrastate Switched Access rates are above the statutory price floor as required by TCA § 65-5-208. Provide all supporting documentation including detailed costs of the essential and competitive elements.

Response: United Telephone-Southeast, Inc. (UTSE) has calculated its average composite intrastate switched two-way access rate at \$0.033962 or 3.4 cents per minute as shown in response to question 3 of this request.

UTSE does not have available a Tennessee specific access cost study. However, reciprocal compensation rates, as filed in interconnection agreements, very closely approximate switched access costs. The functionality of switched access and reciprocal compensation are virtually identical because the switched is being used in the same manner whether the call comes to the ILEC switch from an IXC, an interconnecting LEC, etc. The negotiated reciprocal compensation rate can be used as a reasonable comparison to cost in lieu of an access cost study.

The Tennessee Regulatory Authority has approved numerous interconnection agreements between UTSE and CLECs in Tennessee that contained reciprocal compensation rates. (*See* TRA Docket No. 00-00987 as most recent example). UTSE's recurring reciprocal compensation rates consist of the following elements:

End Office	\$0.003022
Tandem Switching	\$0.001221
Common Transport	<u>\$0.001672</u>
Total	\$0.005915

UTSE's two-way reciprocal compensation rate that closely approximates its access cost is \$0.01183 (2 times \$0.005915) or approximately 1.2 cents per minute, a rate clearly below the two-way access rates of 3.4 cents per minute proposed by UTSE in this filing.

UTSE's Virginia operations recently completed an access forward-looking incremental cost study with nearly identical results to the Tennessee reciprocal compensation rates discussed above. UTSE-Virginia shows its access costs at \$0.01182 or approximately 1.2 cents per minute based on a two-way switched access cost. Additionally, Sprint's other local operating company in Virginia (Central Telephone Company of Virginia) shows its two-way switched access costs at \$.01194 or approximately 1.2 cents per minute.

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To summarize the above, UTSE's access rates are demonstrated to be clearly above cost. This conclusion is best supported by relying on UTSE's approved reciprocal compensation rates that are nearly identical to switched access costs because each utilize the same functionality. UTSE's access rates are further shown to be above cost when comparing UTSE's access rates to the results of access cost studies that have been conducted by Sprint in Virginia--most notably United Telephone-Southeast, Inc. in Virginia.

Finally, UTSE would note that the Tennessee reciprocal compensation rates and the Virginia access studies used forward-looking incremental costing study methods based upon wholesale rate elements.

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Question 2: Provide UTSE's Tennessee Interstate Switched Access minutes of use (MOU) by carrier for the most recent available twelve month period (separate originating and terminating).

Response: The information provided is total Local Switching Minutes of Use for November 1999 through October 2000 by carrier. UTSE does not have data for this period of time that separately identifies the originating and terminating traffic due to elimination of the Carrier Common Line rate elements for interstate traffic. Please see attached proprietary information.

**UNITED TELEPHONE-SOUTHEAST, INC.
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Question 3: Provide the average Interstate Switched Access rate for originating and terminating MOU; and the supporting detail for your calculations.

Response: See Attached.

Tennessee Composite Switched Access Rates

	UTSE's Proposed Intrastate Rates	UTSE's Interstate Rates 1/1/01
Orig CCL	\$0.007637	\$0.000000
Term CCL	\$0.0068924	\$0.000000
Local Switching	\$0.007404	\$0.003709
DS1 Local Channel	\$0.001015	\$0.000760
DS1 Interoffice Channel	\$0.001297	\$0.000984
RIC	\$0.000000	\$0.000000
Info Surcharge	\$0.000000	\$0.000000
Originating	\$0.017353	\$0.005453
Terminating	\$0.016608	\$0.005453
Total	\$0.033961	\$0.010906

Note: These rates are based on a local transport rate per minute of use that reflects 7,290 minutes of use per voice grade equivalent, DS1 switched transport and interoffice switched transport of 8 miles. These rates do not include the "dialing parity" CCLC additive of \$.000169 per originating minute of use (scheduled to end July 20, 2001) and the "telecommunications relay service" CCLC surcharge per terminating minute of use (currently \$0.0014).

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Question 4: With regard to our Data Request of December 21, 2000, please provide a specific date that we will receive the responses to inquiry numbers 6, 7, and 9.

Response: United Telephone-Southeast, Inc. provided the responses to inquiry numbers 6, 7, and 9 in its supplemental response to the Tennessee Regulatory Authority Staff on January 11, 2001.